

## Message Text

CONFIDENTIAL

PAGE 01 GENEVA 02826 231206Z  
ACTION STR-07

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00  
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02  
OMB-01 DOE-11 AF-10 ARA-10 EA-10 NEA-10 OIC-02  
DOEE-00 /159 W

-----129204 231212Z/17

P 231140Z FEB 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 6311  
INFO AMEMBASSY BRUSSELS  
AMEMBASSY BUDAPEST

C O N F I D E N T I A L GENEVA 02826

USMTN, USEEC  
ACTION STR PASS ELECTRICALLY  
STR PASS CODEL

E.O.11652:GDS  
TAGS: MTN, ETRD, HU  
SUBJECT: BILATERAL MEETING WITH HUNGARY

1. USDEL (CULBERT, ET AL) AND DAS BARRACLOUGH MET WITH HUNGARIAN DEL (NYERGES) ON FEB. 22 TO DISCUSS IMPACT ON HUNGARY OF U.S. MTN OFFER AND OTHER TRADE ISSUES.

2. WE PROVIDED SOME GENERAL INFORMATION ABOUT WHAT OUR OFFER WOULD MEAN TO HUNGARY IF IT WERE TO OBTAIN MFN TREATMENT AS A RESULT OF CURRENT BILATERAL U.S.-HUNGARIAN NEGOTIATIONS. NYERGES ASKED IF WE COULD MEET AT TECHNICAL LEVEL TO PROVIDE SOME CLARIFICATIONS OF OUR OFFER. WE AGREED BUT MADE CLEAR WE COULD NOT NEGOTIATE IN MTN ABOUT OUR OFFER OR ENTERTAIN ANY REQUESTS FOR IMPROVEMENT.

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3. NYERGES REFERRED TO TRADE PROBLEMS HUNGARY HAS WITH THE EEC, INCLUDING EC REQUEST FOR COMMITMENT TO IMPORT SPECIFIC PRODUCTS FROM EC (WHICH HE SAID HUNGARY WOULD REFUSE). NYERGES ASKED FOR U.S. HELP IN RAISING THE EC'S STEEL ACTIONS IN THE GATT. WE NOTED THE ISSUE WAS CERTAIN TO COME UP IN THE ANTI-DUMPING COMMITTEE, AND WHILE HIS CONCERNES COULD THEORETICALLY BE RAISED UNDER

OTHER GATT PROVISIONS, WE COULD NOT ENCOURAGE NOR SUPPORT HIM IN DOING SO AS SUCH MOVES WERE UNLIKELY TO PROVIDE ANY SATISFACTION. NYERGES COMMENTED THAT HUNGARY WAS NOT OPPOSED TO ORDERLY MARKETING AGREEMENTS AS A POSSIBLE SOLUTION TO THE STEEL PROBLEMS OF THE MAJOR INDUSTRIALIZED COUNTRIES. HE ALSO WAS AWARE OF MAJOR DIFFERENCE BETWEEN THE U.S. AND EC STEEL PLANS, I.E., THE PURPOSE OF THE EC PLAN SEEMS TO BE TO RAISE INTERNAL PRICES, WHILE THE U.S. PLAN IS INTENDED TO STOP DUMPING.

4. NYERGES REQUESTED A MEETING WITH TREASURY OFFICIALS FOR MINISTER TOROK DURING HIS VISIT TO WASHINGTON NEXT WEEK, TO DISCUSS BILATERAL TRADE ISSUES IN GENERAL. WE AGREED TO PASS ALONG THE REQUEST.

5. DRAFTED BY MIMS. CULBERT

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, TRADE, MEETINGS, GOVERNMENT REACTIONS, NEGOTIATIONS  
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**Copy:** SINGLE  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** GS  
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**Review Markings:**  
Sheryl P. Walter  
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